

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
NEWPORT NEWS DIVISION

In re: Carter's Grove, LLC

Case No. 11-51330

CHAPTER 11
MONTHLY OPERATING REPORT

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: 09/30/11

PETITION DATE: 02/14/11

1. Debtor in possession hereby submits this Monthly Operating Report on the Accrual Basis of accounting.

Dollars reported in \$1

2. Asset and Liability Structure

	End of Current Month	End of Prior Month	As of Petition Filing
a. Current Assets	\$18,897	\$27,133	
b. Total Assets	\$15,975,314	\$15,983,551	\$21,156,418
c. Current Liabilities	\$22,252	\$6,394	
d. Total Liabilities	\$12,512,728	\$12,496,870	\$12,490,476

3. Statement of Cash Receipts & Disbursements for Month

	Current Month	Prior Month	Cumulative (Case to Date)
a. Total Receipts	\$10,000	\$45,000	\$241,697
b. Total Disbursements	\$18,237	\$52,904	\$228,800
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	(\$8,237)	(\$7,904)	\$12,897
d. Cash Balance Beginning of Month	\$27,133	\$35,037	\$0
e. Cash Balance End of Month (c + d)	\$18,897	\$27,133	\$12,897

4. Profit/(Loss) from the Statement of Operations

	Current Month	Prior Month	Cumulative (Case to Date)
5. Account Receivables (Pre and Post Petition)	N/A	N/A	N/A
6. Post-Petition Liabilities	\$0	\$0	
7. Past Due Post-Petition Account Payables (over 30 days)	\$22,252	\$6,394	
	\$16,368	\$2,248	

At the end of this reporting month:

	Yes	No
8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee)		X
9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee)		X
10. If the answer is yes to 8 or 9, were all such payments approved by the court?		X
11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee)		X
12. Is the estate insured for replacement cost of assets and for general liability?	X	
13. Are a plan and disclosure statement on file?	X	
14. Was there any post-petition borrowing during this reporting period?		X

15. Check if paid: Post-petition taxes N/A ; U.S. Trustee Quarterly Fees X ; Check if filing is current for: Post-petition tax reporting and tax returns: Not yet due .
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 10/19/11

Responsible Individual

For the Month Ended 09/30/11

Assets		Check if Exemption Claimed on Schedule C	Market Value
Current Assets			
1	Cash and cash equivalents (including bank accts., CDs, etc.)		\$18,897
2	Accounts receivable (net)		\$0
3	Retainer(s) paid to professionals		\$0
4	Other: _____		\$0
5	_____		
6	Total Current Assets		\$18,897
Long Term Assets (Market Value)			
7	Real Property (residential)		\$15,800,000
8	Real property (rental or commercial)		
9	Furniture, Fixtures, and Equipment		\$149,918
10	Vehicles		\$6,500
11	Partnership interests		\$0
12	Interest in corporations		\$0
13	Stocks and bonds		\$0
14	Interests in IRA, Keogh, other retirement plans		\$0
15	Other: _____		\$0
16	_____		
17	Total Long Term Assets		\$15,956,418
18	Total Assets		\$15,975,314
Liabilities			
Post-Petition Liabilities			
Current Liabilities			
19	Post-petition not delinquent (under 30 days)		\$5,885
20	Post-petition delinquent other than taxes (over 30 days)		\$16,368
21	Post-petition delinquent taxes		\$0
22	Accrued professional fees		\$0
23	Other: _____		\$0
24	_____		
25	Total Current Liabilities		\$22,252
26	Long-Term Post Petition Debt		
27	Total Post-Petition Liabilities		\$22,252
Pre-Petition Liabilities (allowed amount)			
28	Secured claims (residence)		\$12,422,064
29	Secured claims (other)		
30	Priority unsecured claims		\$14,992
31	General unsecured claims		\$53,420
32	Total Pre-Petition Liabilities		\$12,490,476
33	Total Liabilities		\$12,512,728
Equity (Deficit)			
34	Total Equity (Deficit)		\$3,462,586
35	Total Liabilities and Equity (Deficit)		\$15,975,314

NOTE:

The value of the real property is based off an appraisal dated 10/19/2009. The appraisal uses both the "Cost Approach" and "Comparable Sales Approach." The value of the equipment is based on the purchase price in 12/07 and subject to depreciation since the date of purchase.

**Schedule A
Rental Income Information**

List the Rental Information Requested Below By Properties (For Rental Properties Only)

	<u>Property 1</u>	<u>Property 2</u>	<u>Property 3</u>
1 Description of Property			
2 Scheduled Gross Rents			
Less:			
3 Vacancy Factor			
4 Free Rent Incentives			
5 Other Adjustments			
6 Total Deductions	\$0	\$0	\$0
7 Scheduled Net Rents	\$0	\$0	\$0
8 Less: Rents Receivable (2)			
9 Scheduled Net Rents Collected (2)	\$0	\$0	\$0

(2) To be completed by cash basis reporters only.

**Schedule B
Recapitulation of Funds Held at End of Month**

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>
10 Bank			
11 Account No.			
12 Account Purpose			
13 Balance, End of Month			
14 Total Funds on Hand for all Accounts	\$0		

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 09/30/11

		Actual Current Month	Cumulative (Case to Date)
Cash Receipts			
1	Rent/Leases Collected	\$0	\$0
2	Cash Received from Sales	\$0	\$0
3	Interest Received	\$0	\$0
4	Borrowings	\$0	\$0
5	Funds from Shareholders, Partners, or Other Insiders	\$0	\$0
6	Capital Contributions	\$10,000	\$241,697
7			
8			
9			
10			
11			
12	Total Cash Receipts	\$10,000	\$241,697
Cash Disbursements			
13	Selling	\$0	\$0
14	Administrative	\$6,619	\$153,374
15	Capital Expenditures	\$0	\$0
16	Principal Payments on Debt	\$0	\$0
17	Interest Paid	\$0	\$0
	Rent/Lease:		
18	Personal Property	\$0	\$0
19	Real Property	\$0	\$0
	Amount Paid to Owner(s)/Officer(s)		
20	Salaries	\$0	\$0
21	Draws	\$0	\$0
22	Commissions/Royalties	\$0	\$0
23	Expense Reimbursements	\$0	\$0
24	Other	\$0	\$0
25	Salaries/Commissions (less employee withholding)	\$8,907	\$57,817
26	Management Fees	\$0	\$0
	Taxes:		
27	Employee Withholding	\$2,711	\$17,609
28	Employer Payroll Taxes	\$0	\$0
29	Real Property Taxes	\$0	\$0
30	Other Taxes	\$0	\$0
31	Other Cash Outflows:	\$0	\$0
32			
33			
34			
35			
36			
37	Total Cash Disbursements:	\$18,237	\$228,800
38	Net Increase (Decrease) in Cash	(\$8,237)	\$12,897
39	Cash Balance, Beginning of Period	\$27,133	
40	Cash Balance, End of Period	\$18,897	\$12,897

Wells Fargo Combined Statement of AccountsPrimary account number: **3482** ■ September 1, 2011 - September 30, 2011 ■ Page 1 of 6**WELLS
FARGO**

CARTER'S GROVE LLC
DEBTOR IN POSSESSION
CH 11 CASE #11-51330 (EVA)
GENERAL OPERATIONS ACCOUNT
3810 WASHINGTON ST
SAN FRANCISCO CA 94118-1650

Questions?

Available by phone 24 hours a day, 7 days a week:

1-800-CALL-WELLS (1-800-225-5935)

TTY: 1-800-877-4833

En español: 1-877-337-7454

Online: wellsfargo.com/biz

Write: Wells Fargo Bank, N.A. (114)

P.O. Box 6995

Portland, OR 97228-6995

Your Business and Wells Fargo

Access Wells Fargo/Gallup's Small Business Index reports, press releases and podcasts at wellsfargobusinessinsights.com/small-business-index. The quarterly index reflects small business owner optimism, perceptions of current conditions (past 12 months) and future expectations (next 12 months) relating to financial situation, revenues, cash flow, capital spending, jobs and credit availability.

Account options

A check mark in the box indicates you have these convenient services with your account. Go to wellsfargo.com/biz or call the number above if you have questions or if you would like to add new services.

Business Online Banking ☐
Rewards for Business Check Card ☐
Online Statements ☐
Business Bill Pay ☐
Business Spending Report ☐
Overdraft Protection ☐

Summary of accounts**Checking and Savings**

Account	Page	Account number	Ending balance last statement	Ending balance this statement
Expanded Business Checking	2	2553813482	26,807.43	18,501.71
Expanded Business Checking	3	2553813474	227.74	316.82
Expanded Business Checking	5	9637475576	98.03	78.03
Total deposit accounts			\$27,133.20	\$18,896.56

Expanded Business Checking

Activity summary

Beginning balance on 9/1	\$26,807.43
Deposits/Credits	10,000.00
Withdrawals/Debits	- 18,305.72
Ending balance on 9/30	\$18,501.71
Average ledger balance this period	\$20,761.47

Account number: [REDACTED] 3482

CARTER'S GROVE LLC
DEBTOR IN POSSESSION
CH 11 CASE #11-51330 (EVA)
GENERAL OPERATIONS ACCOUNT

California account terms and conditions apply

For Direct Deposit and Automatic Payments use
 Routing Number (RTN): 121042882

For Wire Transfers use
 Routing Number (RTN): 121000248

Overdraft Protection

This account is not currently covered by Overdraft Protection. If you would like more information regarding Overdraft Protection and eligibility requirements please call the number listed at the top of your statement or visit your Wells Fargo branch.

Transaction history

Date	Check Number	Description	Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
9/12	1067	Check		3,866.18	
9/12	1066	Check		279.54	22,661.71
9/15		Online Transfer Ref #lbemqnpkf5 to Expanded Business Checking xxxxxx3474 on 09/15/11		5,000.00	17,661.71
9/27		Online Transfer Ref #lbec2Lfgyr to Expanded Business Checking xxxxxx3474 on 09/27/11		6,000.00	
9/27	1068	Check		150.00	11,511.71
9/28	1069	Check		2,000.00	9,511.71
9/29		Online Transfer Ref #lbe2Cg9Wtm to Expanded Business Checking xxxxxx3474 on 09/29/11		1,000.00	8,511.71
9/30		WT Fed#04680 Jpmorgan Chase Ban /Org=Laura Ann Childress OR Gloria Ann Srf# 1059600273Es Trn#110930053674 Rfb# Poh of 11/09/30	10,000.00		
9/30		Wire Trans Svc Charge - Sequence: 110930053674 Srf# 1059600273Es Trn#110930053674 Rfb# Poh of 11/09/30		10.00	18,501.71
Ending balance on 9/30					18,501.71
Totals			\$10,000.00	\$18,305.72	

The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.

Summary of checks written (checks listed are also displayed in the preceding Transaction history)

Number	Date	Amount	Number	Date	Amount	Number	Date	Amount
1066	9/12	279.54	1068	9/27	150.00	1069	9/28	2,000.00
1067	9/12	3,866.18						

Account transaction fees summary

<i>Service charge description</i>	<i>Units used</i>	<i>Units included</i>	<i>Excess units</i>	<i>Service charge per excess units (\$)</i>	<i>Total service charge (\$)</i>
Paid and Deposited Items	4	300	0	0.50	0.00
Total service charges					\$0.00

With Wells Fargo Business Online, you can get free*, timely account alerts to notify you when important transactions occur. Choose to be notified when a deposit or withdrawal posts, when balances fall below a certain level, and more. You can also customize how you'd like to be notified - by email, text message, or both. It's an easy way to stay on top of critical business information.

Setting up alerts is easy. Simply sign on to Wells Fargo Business Online at wellsfargo.com/biz. Select the "Messages & Alerts" tab, then select "Set Up/Modify Alerts".

*For alerts sent to your wireless device, service provider and applicable account activity fees may apply.

**IMPORTANT ACCOUNT INFORMATION**

IMPORTANT NOTICE - The enclosed Wells Fargo-Wachovia update insert contains a story entitled "Financial solutions for college". The display in the story refers to the Wells Fargo Student Loan for Parents. To learn more about this and other student loan products, please visit wellsfargo.com/student today.

- Wells Fargo Bank is consistently rated as "Outstanding" for the Community Reinvestment Act (CRA) by federal regulators, the highest rating a financial services institution can receive.

Expanded Business Checking**Activity summary**

Beginning balance on 9/1	\$227.74
Deposits/Credits	14,710.66
Withdrawals/Debits	- 14,621.58
Ending balance on 9/30	\$316.82
Average ledger balance this period	\$604.10

Account number: **3474**

**CARTER'S GROVE LLC
DEBTOR IN POSSESSION
CH 11 CASE #11-51330 (EVA)
PAYROLL ACCOUNT**

California account terms and conditions apply

For Direct Deposit and Automatic Payments use
Routing Number (RTN): 121042882

For Wire Transfers use
Routing Number (RTN): 121000248

Overdraft Protection

This account is not currently covered by Overdraft Protection. If you would like more information regarding Overdraft Protection and eligibility requirements please call the number listed at the top of your statement or visit your Wells Fargo branch.

Transaction history

<i>Date</i>	<i>Check Number</i>	<i>Description</i>	<i>Deposits/ Credits</i>	<i>Withdrawals/ Debits</i>	<i>Ending daily balance</i>
9/12		Paychex Eib Invoice 110912 x41533400009331 Carters Grove LLC		188.70	39.04
9/14		Paychex Payroll 41596700000694x Carters Grove LLC		4,453.28	-4,414.24
9/15		Overdraft Fee for Item \$4,453.28 09/14 Paychex Payroll 415967000006 94x Carters Grove LLC		25.00	
9/15		Online Transfer Ref #Ibemqnpkf5 From Expanded Business Checking xxxxxx3482 on 09/15/11	5,000.00		
9/15		Paychex Tps Taxes 090811 41596500012698x Carters Grove LLC		1,355.33	-794.57
9/16		Preauthorized Debit Reversal	1,355.33		
9/16		NSF Return Item Fee for Item \$1,355.33 09/15 Paychex Tps Taxes 090811 415965000126 98x Carters Grove LLC		25.00	535.76
9/21		Paychex Tps Taxes 092011 41752200002261x Carters Grove LLC		1,355.33	-819.57
9/22		Preauthorized Debit Reversal	1,355.33		
9/22		NSF Return Item Fee for Item \$1,355.33 09/21 Paychex Tps Taxes 092011 417522000022 61x Carters Grove LLC		35.00	500.76
9/27		Online Transfer Ref #Ibec2Lfgyr From Expanded Business Checking xxxxxx3482 on 09/27/11	6,000.00		6,500.76
9/28		Paychex Tps Taxes 092711 41843200001477x Carters Grove LLC		1,355.33	5,145.43
9/29		Online Transfer Ref #Ibe2Cg9Wtm From Expanded Business Checking xxxxxx3482 on 09/29/11	1,000.00		
9/29		Paychex Payroll 418496000002332x Carters Grove LLC		4,453.29	1,692.14
9/30		Paychex Tps Taxes 092711 41846900018689x Carters Grove LLC		1,355.32	
9/30		Monthly Service Fee		20.00	316.82
Ending balance on 9/30					316.82
Totals			\$14,710.66	\$14,621.58	

The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.

Items returned unpaid

<i>Date</i>	<i>Description</i>	<i>Amount</i>
9/16	Non-Monetary Notation Transaction Reference # 021000020433486	1,355.33
9/22	Non-Monetary Notation Transaction Reference # 021000029275592	1,355.33

Account transaction fees summary

<i>Service charge description</i>	<i>Units used</i>	<i>Units included</i>	<i>Excess units</i>	<i>Service charge per excess units (\$)</i>	<i>Total service charge (\$)</i>
Paid and Deposited Items	5	300	0	0.50	0.00
Total service charges					\$0.00

Expanded Business Checking

Activity summary

Beginning balance on 9/1	\$98.03
Deposits/Credits	0.00
Withdrawals/Debits	- 20.00
Ending balance on 9/30	\$78.03
Average ledger balance this period	\$98.03

Account number: [REDACTED] 5576

CARTER'S GROVE LLC
DEBTOR IN POSSESSION
CH 11 CASE #11-51330 (EVA)
TAX ACCOUNT

California account terms and conditions apply

For Direct Deposit and Automatic Payments use

Routing Number (RTN): 121042882

For Wire Transfers use

Routing Number (RTN): 121000248

Overdraft Protection

This account is not currently covered by Overdraft Protection. If you would like more information regarding Overdraft Protection and eligibility requirements please call the number listed at the top of your statement or visit your Wells Fargo branch.

Transaction history

<i>Date</i>	<i>Check Number</i>	<i>Description</i>	<i>Deposits/ Credits</i>	<i>Withdrawals/ Debits</i>	<i>Ending daily balance</i>
9/30		Monthly Service Fee		20.00	78.03
Ending balance on 9/30					78.03
Totals			\$0.00	\$20.00	

The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.



General statement policies for Wells Fargo Bank

■ **Notice:** Wells Fargo Bank, N.A. may furnish information about accounts belonging to individuals, including sole proprietorships, to consumer reporting agencies. If this applies to you, you have the right to dispute the accuracy of information that we have reported by writing to us at: Overdraft Collections and Recovery, P.O. Box 5058, Portland, OR 97208-5058.

You must describe the specific information that is inaccurate or in dispute and the basis for any dispute with supporting documentation. In the case of information that relates to an identity theft, you will need to provide us with an identity theft report.

Account Balance Calculation Worksheet

1. Use the following worksheet to calculate your overall account balance.
2. Go through your register and mark each check, withdrawal, ATM transaction, payment, deposit or other credit listed on your statement. Be sure that your register shows any interest paid into your account and any service charges, automatic payments or ATM transactions withdrawn from your account during this statement period.
3. Use the chart to the right to list any deposits, transfers to your account, outstanding checks, ATM withdrawals, ATM payments or any other withdrawals (including any from previous months) which are listed in your register but not shown on your statement.

ENTER

A. The ending balance
shown on your statement \$

ADD

B. Any deposits listed in your register or transfers into your account which are not shown on your statement.	\$ _____
	\$ _____
	\$ _____
	+ \$ _____
..... TOTAL	\$ _____

CALCULATE THE SUBTOTAL

(Add Parts A and B)

.....TOTAL \$

SUBTRACT

C. The total outstanding checks and
withdrawals from the chart above - \$

CALCULATE THE ENDING BALANCE

(Part A + Part B - Part C)

This amount should be the same
as the current balance shown in
your check register

\$ _____

[illegible]